

2011-2012 PERFORMANCE PLAN – Chief Executive Officer (A. Stausboll)

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All of the terms and provisions of the "CalPERS Compensation Policies and Procedures for Chief Executive Officer, Chief Actuary, General Counsel and Investment Management Positions" are incorporated in this Performance Plan by this reference as if set forth in full.

Quantitative Performance Measure

Weight	Factor	Performance Measure	Incentive Schedule
5%	Total Fund Performance	Excess return in basis points relative to: Total Fund Performance Benchmark {SJ1CA1 – CPERST02}	-13 basis points = 0 +13 basis points = 1.0 27 basis points = 1.5
5%	Subtotal	Quantitative Measures	

Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
50%	Business Plan / Enterprise Objectives	By June 30, 2012, implement the 11 objectives set forth in the Board approved 2011-12 Business Plan, to achieve the enterprise priorities in the areas of Customer Focus, Leadership and Soundness, and Building Internal Strength (as referenced in agenda item 3c, Attachment 1).	From Schedule
20%	Special Initiatives	<ul style="list-style-type: none"> Support the Board Governance project, develop an implementation plan for recommended changes, and provide support to the Board in making desired changes. Other special projects as determined in conjunction with the Board. 	From Schedule
15%	Executive Leadership	<p>Leadership: Acts in an ethical, honest and professional manner. Communicates a clear vision of CalPERS' mission and goals. Gains the confidence and commitment of others through enthusiastic expressions of support of the vision and values of the organization. Gains support for courses of action by sharing information, encouraging feedback, listening respectfully, and acknowledging individual concerns.</p> <p>Teamwork: Promotes teamwork and cross-functional collaboration and communication in support of CalPERS' strategic goals. Presents well-organized arguments that are issue-oriented, not personal. Resolves disagreements by first identifying common ground and then exploring differences. Shares credit for good ideas and acknowledges the contributions, creativity and abilities of others.</p>	From Schedule

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Qualitative Performance Measures (cont.)

Weight	Factor	Performance Measure	Incentive Schedule
	Executive Leadership (cont.)	<p>Succession Planning: Participates in an ongoing succession planning program to assess the workforce and create strategies to retain and develop the skills of employees. Identifies training, development and knowledge transfer strategies to meet future workforce needs. Contributes to the enhancement of organizational competencies and skills by providing opportunities for individual staff development and improvement.</p> <p>Diversity and Inclusion: Demonstrates diversity and inclusion awareness and personally cultivates a positive work environment where the differences of all staff are recognized and valued. Leads strategies and approaches to increase the level of diversity within the CalPERS' workforce. Through personal example and leadership, fosters a climate where all are treated with dignity and respect.</p> <p>Executive / Board Relations: Effectively represents the enterprise at executive management meetings, stakeholder group meetings, and at CalPERS Board of Administration meetings. Prepares and/or directs the preparation of thorough and accurate Board agenda materials and provides sound technical consultation and appropriate recommendations. Makes clear and concise presentations to the Board of Administration and Board Committees on relevant issues.</p> <p>Business Planning and Fiscal Management: Leads the business planning process by establishing clear, measurable operational objectives which align with CalPERS' strategic Goals. Identifies resource requirements to support organizational priorities. Ensures cost-effective use of resources (i.e., operational expenses, equipment and staff resources) and contributes to the overall prudent management of CalPERS trust funds.</p> <p>Management of Risk: Ensures that policy and program decisions are made with consideration for potential financial, compliance, legal, security, operational, reputational, political, strategic, and other risks. Implements risk mitigation strategies. Gathers risk intelligence to support executive and Board decision-making.</p>	
10%	Management Drivers	Achieve improvements in enterprise management through the prescribed "Management Drivers for Board of Administration Direct Reports" (as referenced in agenda item 3c, Attachment 2).	From Schedule
95%	Subtotal	Qualitative Measures	
100%	Total	Quantitative and Qualitative Measures	